

FISCAL MEMORANDUM

FROM: CALIFORNIA CHILDREN & FAMILIES COMMISSION

TO: EXECUTIVE DIRECTORS, COUNTY COMMISSIONS

DATE: June 17, 2002

SUBJECT: USE OF CCFC FUNDS FOR FIXED OR CAPITAL ASSETS AND
FOR CAPITAL IMPROVEMENTS

Fiscal Memo #4 was sent out recently for the purpose of explaining to all county commissions that State Commission funds cannot be used for the acquisition or purchase of fixed or capital assets. (Fixed or capital assets are buildings or structures, additional major equipment items that cost over \$5,000, vehicles or items that are not classified as expendable.) School Readiness projects must have sufficient match to fully cover the cost of their fixed asset purchases, ensuring that no State Commission funds are used for that purpose.

The same policy applies to capital improvement projects. State funds cannot be used to finance capital improvement projects. These are projects that either expand or add to a building or structure, or which involve significant, extensive, and/or major improvements, changes, or enhancements to such buildings or structures. This also applies to projects that include the acquisition and installation of additional fixed assets such as dental or medical equipment, and kitchen or bathroom fixtures.

On the other hand, State Commission funds may be used for minor repair and renovation projects that are deemed necessary to provide client services or programs for children ages 0 – 5, as long as such projects are not connected with a construction or acquisition project. These minor repair and renovation projects include, but are not limited to, re-roofing, painting, wiring, plumbing repairs, and the acquisition of replacement plumbing and electrical fixtures, bookcases, and/or cabinetry.

As with the acquisition of fixed assets, School Readiness program budgets that include capital improvement projects must show sufficient local match to ensure that State Commission funds are not used for that purpose.